



# Infommat

*A Weekly Review*

Friday, February 26, 1999

## OVERVIEW

### ◆ Exports and imports both strong at year-end

Exports ended 1998 with a strong 5.5% increase in the fourth quarter, while imports climbed 6.1%.

### ◆ Shipments on the rise since August

Manufacturers' shipments, which climbed 1.4% in December, have turned strongly upward in recent months. For 1998 as a whole, total shipments increased 3.1%.

### ◆ Retailers end 1998 with a small decline in December

Diminishing sales in clothing and food stores held retail sales back in December. In 1998, sales were up 4.3%, as retailers in all provinces and territories except British Columbia posted growth.

### ◆ Wholesalers cap slow year with an advance

Wholesalers capped a slow but favourable year with a 1.3% increase in December. In 1998, their annual sales growth was a modest 3.6%.

### ◆ Fifth decline in EI beneficiaries

In December, for a fifth consecutive month, fewer Canadians were paid the regular benefits of employment insurance.

### ◆ Consumer price inflation falls lower still

In January, the annual inflation rate for consumer goods and services fell to 0.6%. The last time it was this low was January 1995.

## Exports and imports both strong at year-end

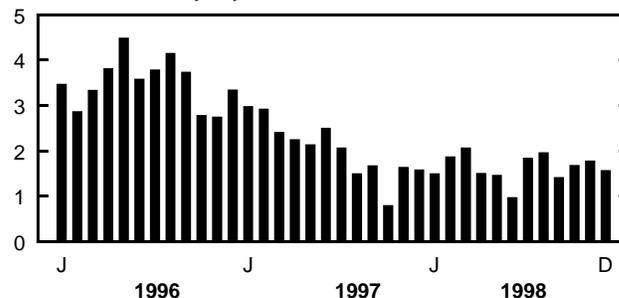
Following a robust October, exports remained relatively stable in November and December. The strong year-end results were reflected in a strong fourth quarter (+5.5%). Imports followed the same monthly pattern with a fourth quarter increase of 6.1%. In December, exports declined slightly (-0.7%) compared with November, prompted by decreases in energy, mineral and automotive products. Imports in December remained steady, with increases in used aircraft and agricultural equipment offset by declines in automotive parts, fuel oil and metal. The merchandise trade balance fell in December to \$1.5 billion, down from a revised \$1.8 billion in November.

For 1998 as a whole, exports climbed from 1997 by 7.4% to \$320 billion. This is in line with the growth rates seen in the previous two years, but it is lower than the rates seen in the 1992-to-1995 period, when growth fluctuated between 16% and 20%. As for imports, the annual growth rate for 1998 was 9.8%. This was close to the average for the 1995-to-1998 period, but lower than 1997's exceptional growth of 16.4%. The trade balance fell from \$24 billion in 1997 down to \$19 billion in 1998.

Despite having declined slightly in December, automotive exports in the fourth quarter jumped 26.9%, chiefly because of increased car and truck exports in October and November. Forestry exports continued to rebound in December, resulting in a fourth

### Merchandise trade balance

\$ billions, seasonally adjusted



(continued on page 2)



### ... Exports and imports both strong at year-end

quarter increase of 3.8%. Newsprint exports, mainly to the United States and to the United Kingdom, reached their highest level since September 1995; this brought about a rise in export volume, despite the fact that a global glut is driving down prices. Meanwhile, the volume of lumber exports has remained relatively stable since March, despite a recovery in prices due to the strength of the American construction industry.

Machinery and equipment exports rose again to October's levels, largely due to a sharp rise in exports to the United States of new aircraft, helicopters and metal-working equipment.

Among the declines in December, energy exports fell for a fourth consecutive month. All components of the sector declined except electricity. Natural gas exports saw the sharpest drop, with a price decrease of more than 12% in December. Industrial goods and material exports dropped for a second straight month, chiefly due to sluggish ore exports.

Imports remained steady in December despite strong sector fluctuations. Machinery and equipment imports continued to trend upward, mainly on strong imports of used aircraft, generators and engines from Europe and the United States. Used aircraft imports reached their highest level since May 1997, largely due to fleet replacement by the country's major airlines. This contributed to quarterly growth of 2.6%.

Automotive imports followed three consecutive monthly increases with a sharp drop in December, mostly because of lower

#### Note to readers

*Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.*

imports of parts. Nevertheless, October's strong performance boosted the total advance in automotive imports in the fourth quarter to 20.2%. Industrial goods imports, which hit a record high in October, fell for a second straight month in December. Iron and steel imports fell off sharply, especially gas pipelines, precious metals and aluminum. Meanwhile, energy imports fell for a fourth month in a row, as all sectors declined. Imports of petroleum and coal by-products, especially fuel oil, showed the greatest drop on markedly lower volume.

**Available on CANSIM: matrices 3618, 3619, 3651, 3685-3713, 3718-3720, 3887-3913, 8430-8435 and 8438-8447.**

*The December 1998 issue of Canadian international merchandise trade (paper: 65-001-XPB, \$19/\$188; Internet: 65-001-XIB, \$14/\$141) presents the detailed figures, including tables by commodity and country on a customs basis. Current account data (which incorporate merchandise trade statistics, services transactions, investment income and transfers) are available quarterly in Canada's balance of international payments (67-001-XPB, \$38/\$124). For further information, contact Jocelyne Elibani (613-951-9647 or 1-800-294-5583), International Trade Division. See also "Current trends" on page 9.*

## Shipments on the rise since August

**M**anufacturers' shipments, on the rise since August, climbed 1.4% in December to \$39.5 billion. The growth was led by an unusually large increase in the railroad rolling stock industry. Excluding this exceptional increase, December shipments grew at half that rate, just 0.7%. Unfilled orders and inventories both slipped in December.

For 1998 as a whole, shipments increased 3.1% to \$448.3 billion, up from \$434.7 billion in 1997. By comparison, year-over-year growth was 2.4% in 1996 and 6.9% in 1997. During the first seven months of 1998, shipments languished due to the ice storm and the General Motors strike. Recently, however, shipments have turned strongly upward and have been exceeding the steady growth rate observed throughout 1997. Looking ahead, the Business Conditions Survey announced that manufacturers are generally satisfied with production prospects for the first quarter, as well as with their employment levels. Employment in the manufacturing sector increased in January, particularly in Ontario.

Last year's growth in shipments was seen in 17 of the 22 major industry groups, representing 82.9% of the total value. The largest growers were motor vehicles (+5.4%), electrical and electronic products (+11.0%) and aircraft and parts (+20.3%). A large offsetting annual decline occurred in the refined petroleum and coal products industry last year (-20.4%), where tumbling crude oil prices contributed to the drop in shipments. The next largest decreases were in the primary metals (-2.0%) and wood (-2.1%) industries.

#### Note to readers

*Unfilled orders are often considered a key determinant of future shipments, assuming orders are not cancelled. However, roughly half the increase in unfilled orders since the start of 1997 has been in the aircraft and parts industry, where some orders stretch out for years before they are filled.*

*New orders are orders received, whether shipped in the current month or not. They are measured as the sum of shipments for the current month plus the change in unfilled orders. Interpreting new orders as leading to future demand is inappropriate because new orders include orders already shipped. The month-to-month change in new orders may be volatile, particularly if the previous month's change in unfilled orders was large in relation to the current month's change. Not all orders translate into Canadian factory shipments because some large orders may have a component that is subcontracted out to other countries.*

The backlog of unfilled orders increased last year by 14.7%. This compares with an annual increase of 23.7% in 1997 and no change (0.0%) in 1996. Inventories rose 3.8% in 1998, compared with 4.5% in 1997 and 0.4% in 1996.

December's exceptionally strong gain in the railroad rolling stock industry (+95.6%) occurred as manufacturers completed and delivered a number of large contracts at the end of the year. A coincident decrease was observed in the industry's inventories. The motor vehicle (+3.0%) industry was the next largest contributor to December's growth in shipments. Inventories for this industry also decreased. Excluding both those industries, shipments

*(continued on page 3)*

### ... Shipments on the rise since August

advanced just 0.2% in December. Overall, however, manufacturers' shipments did increase in 15 of 22 major industry groups (representing 68.7% of the total value) and in 7 of the 12 provinces and territories.

The month's largest offsetting decrease in the value of shipments occurred in the refined petroleum and coal industry (-6.3%). The chief causes were a 5.7% decrease in the price of petroleum products and warm weather. The next largest decrease was in shipments of chemical products (-2.2%).

Manufacturers' inventories eased 1.3% in December to \$49.6 billion. The largest contributors to the decline were the motor vehicle industry (-14.8%) and the railroad rolling stocks industry (-16.2%). The largest offsetting increases in inventories were in the beverage (+4.5%) and aircraft and parts (+0.6%) industries. December's rise in shipments and decrease in inventories lowered the inventory-to-shipments ratio from 1.29 in November to 1.26 in December. The ratio has now reached its lowest level since July 1997 (1.24); its last peak occurred in July 1998 (1.42).

The backlog of unfilled orders slipped in December by 0.8% to \$48.6 billion. Despite this small decline, unfilled orders have generally been on the rise since the start of 1997. January's Business Conditions Survey revealed that 81% of manufacturers are generally satisfied with their level of unfilled orders. The largest contributor to December's decrease was the motor vehicle industry (-7.6%), followed by the machinery (-4.8%) and the electrical and electronic products (-3.1%) industries. The largest offsetting increase was in aircraft and parts (+3.6%), where unfilled

### Manufacturers' shipments, December 1998

Seasonally adjusted

	\$ millions	% change, previous month
<b>Canada</b>	<b>39,491</b>	<b>1.4</b>
Newfoundland	154	7.4
Prince Edward Island	86	4.4
Nova Scotia	547	-4.7
New Brunswick	696	-2.2
Quebec	9,030	0.6
Ontario	21,949	2.2
Manitoba	891	-3.5
Saskatchewan	485	0.4
Alberta	2,704	0.2
British Columbia	2,948	2.6
Yukon and Northwest Territories	3	-1.6

orders have generally been on the rise since the beginning of 1997. Moreover, this industry has accounted for 58.9% of the increase in unfilled orders since the end of 1996.

**Available on CANSIM: matrices 9550-9555, 9558, 9559, 9562-9565, 9568-9579 and 9581-9595.**

The December 1998 issue of *Monthly Survey of Manufacturing* (31-001-XPB, \$20/\$196) presents the detailed statistics. Detailed data on shipments by province are also now available on request. For further information, contact Craig Kuntz (613-951-7092; [kuncrai@statcan.ca](mailto:kuncrai@statcan.ca)), Manufacturing, Construction and Energy Division. See also "Current trends" on page 9.

## Retailers end 1998 with a small decline in December

**D**iminishing sales in clothing and food stores held retail sales back in December. Sales totalled \$20.8 billion, down 0.3% from November. For 1998, retail sales reached \$247 billion, up 4.3% from 1997. By comparison, the increase for 1997 was 7.6%, but a significant portion of that was due to higher prices. Excluding the price effect, retail sales rose by 5.7% in 1997 and 4.4% in 1998.

Lower prices in December failed to stimulate demand for clothing. Of all the trade groups, clothing stores reported the month's largest sales decline (-3.8%). Prices of clothing and footwear fell for a second consecutive month (-1.8%), as retailers continued to try to liquidate the high levels of inventory that accumulated since the fall because of warmer than usual weather. Despite the lower prices, sales fell in men's clothing (-3.3%), women's clothing (-4.6%) and other clothing (-5.3%) stores. Shoe store sales increased, however, by 4.2%. Overall, sales in clothing stores have declined slowly since the spring of 1998.

The other trade groups ending 1998 with higher December sales were furniture (+1.3%), general merchandise (+0.7%) and automotive (+0.6%). Sales declined in December at food stores (-1.0%) and drugstores (-0.6%).

Furniture retailers continued their solid sales growth in 1998. After posting a 10.0% advance in 1997, the furniture trade group increased their sales by 8.4% in 1998 to \$12.6 billion—the year's largest increase among all retail categories. Within the category,

### Note to readers

Revised seasonally adjusted figures are presented this month for September to December 1998. Revisions for the 1998 calendar year will be released this April.

### Annual retail sales

Seasonally adjusted

	1997	1998	1997 to 1998
	\$ millions		% change
Ontario	86,458	93,362	8.0
New Brunswick	5,584	5,920	6.0
Alberta	26,939	28,225	4.8
Prince Edward Island	996	1,041	4.5
<b>Canada</b>	<b>237,278</b>	<b>247,432</b>	<b>4.3</b>
Nova Scotia	7,294	7,587	4.0
Newfoundland	3,704	3,820	3.1
Quebec	55,539	56,995	2.6
Manitoba	8,589	8,792	2.4
Northwest Territories	508	517	1.9
Yukon	309	313	1.3
Saskatchewan	7,622	7,634	0.2
British Columbia	33,736	33,226	-1.5

household furniture and appliance stores (+8.9%) and household furnishings stores (+6.5%) both showed significant sales growth. Furniture store sales have generally been increasing since early 1996, stimulated by the activity level in the housing market.

(continued on page 4)

### ... Retailers end 1998 with a small decline in December

Stores classified in the "other" category posted 1998's second largest sales growth (+7.3%). Sales in the "other" category have generally been rising since early 1997. Most significant, sales of "other durable goods" (such as sporting goods, jewellery, music and cameras) climbed last year by 13.8%.

General merchandise retailers increased their sales in 1998 by 6.9%. Department store sales rose 6.2% despite store closures and restructuring. However, this was considerably less than the previous year's 11.2% increase. After two years of advances, sales in department stores have weakened since the spring of 1998. Sales by other general merchandise stores advanced 7.8% in 1998. Overall, sales in other general merchandise stores have generally been increasing since the end of 1995.

Automotive retailers posted significantly weaker sales growth in 1998 (+2.6%) than in 1997, when they led all trade groups with a 10.5% increase. Sales at gasoline service stations declined 6.3% last year due to low prices, whereas sales of auto parts, accessories and services rose 6.3%. Motor and recreational vehicle dealers increased their sales by 4.1%. Retail sales in the automotive trade group have flattened out since the spring of 1998 after generally increasing since mid-1996.

Among the provinces, Ontario's retailers led the way in 1998 with strong growth (+8.0%), well above the national average (+4.3%). They also reported a similar increase in 1997 (+7.8%). Furniture stores in the province turned in the best performance for a second consecutive year, followed closely by drugstores. In the automotive group, sales advanced at about the same rate as the overall 8.0% increase. Unlike most other provinces, retail sales in Ontario continued to increase in 1998, despite some weakness near year-end. Retail sales in the province have generally been growing since mid-1996.

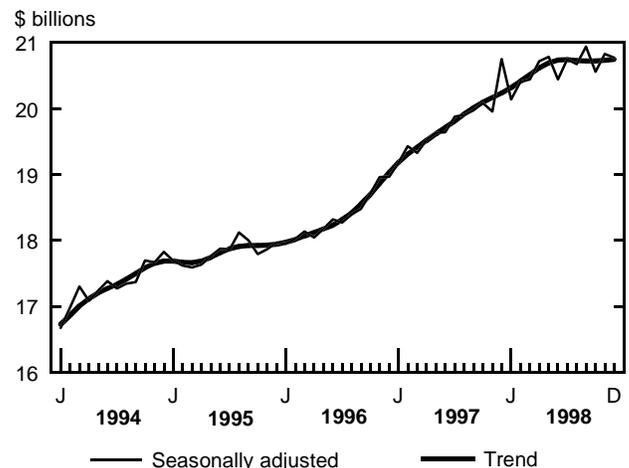
New Brunswick's retailers posted the second highest sales advance in 1998 (+6.0%) with strong increases in all trade groups. This annual increase was also above the national average and twice the province's 1997 growth rate (+2.9%). Nevertheless, retail sales in the province during the second half generally declined in the automotive group and flattened out in general merchandise stores. The three other Atlantic provinces also posted higher retail sales in 1998, which were led by furniture and clothing

### Retail and wholesale trade, December 1998

Seasonally adjusted

	Retail sales		Wholesale sales	
	\$ millions	% change, previous month	\$ millions	% change, previous month
<b>Canada</b>	<b>20,768</b>	<b>-0.3</b>	<b>28,833</b>	<b>1.3</b>
Newfoundland	315	-3.8	194	0.1
Prince Edward Island	84	-0.9	51	1.7
Nova Scotia	644	0.2	549	5.6
New Brunswick	491	0.1	332	-0.7
Quebec	4,820	-0.2	5,828	-0.1
Ontario	7,882	-0.5	14,336	1.8
Manitoba	735	0.1	938	3.2
Saskatchewan	633	0.1	785	-2.1
Alberta	2,343	-0.4	2,616	1.4
British Columbia	2,752	0.4	3,176	1.2
Yukon	26	-0.5	11	6.8
Northwest Territories	43	-1.3	18	15.8

### Retail sales



stores. The increase in Newfoundland also came from higher sales in general merchandise stores. Total sales have been rising since fall 1997 in Newfoundland and since spring 1997 in Nova Scotia. In Prince Edward Island, however, sales have generally been declining since the summer of 1998 after two years of increases.

In Quebec, stagnant automotive sales limited the overall increase in retail sales last year to 2.6%. This contrasts with 7.3% growth in 1997. In 1998, sales rose significantly in furniture and general merchandise stores. Retail sales in the province have been growing very slowly since the spring of 1998.

Declining prices of farm products may have had an effect on the sales performance of retailers in Manitoba (+2.4%) and Saskatchewan (+0.2%) during 1998. In Manitoba, sales were strong in furniture stores, but the growth in food and automotive stores remained below the provincial average. After rising since early 1996, sales in Manitoba remained flat throughout 1998. Meanwhile, the weak performance of retailers in Saskatchewan resulted from a significant decline in automotive sales. Retailers in the province experienced declining sales in the first half of 1998 and stagnant sales the rest of the year. Prior to 1998, retail sales in Saskatchewan had generally been rising since early 1996.

Strong sales in general merchandise and furniture stores pushed up total retail sales in Alberta last year by 4.8%, a rate slightly above the national average. Retail sales in Alberta generally grew during the first half of 1998, but remained flat for the rest of the year.

British Columbia was the only province where retail sales declined in 1998 (-1.5%). This was due to diminishing sales in automotive, drug, furniture and food stores. Retail sales may have been dampened by weak consumer confidence due to Asia's economic problems and low commodity prices. After rising from the fall of 1996 to the end of 1997, retail sales in the province generally declined in 1998.

**Available on CANSIM: matrices 2299, 2398-2417 and 2420.**

The December 1998 issue of *Retail trade* (63-005-XPB, \$21/\$206) presents the detailed report. For general enquiries, or to order data, contact Client Services (1 877 421-3067 or 613-951-3549; retailinfo@statcan.ca). For further analytical information, contact Paul Gratton (613-951-3541; gratpau@statcan.ca), Distributive Trades Division.

## Wholesalers cap slow year with an advance

Wholesalers capped a slow but favourable year with a 1.3% increase (to \$28.8 billion) in December. Eight of the eleven trade groups increased sales. The group leaders were apparel and dry goods (+6.3%) and beverages, drug, and tobacco products (+4.3%). Notable movers were motor vehicles, parts and accessories (+3.4%), which rallied from November's decline; farm machinery, equipment and supplies (-9.4%), which fell for a fourth month in five; and computers, packaged software, equipment and supplies (-1.4%), which declined for a second consecutive month. In December, the value of inventories held grew a slight 0.2% from November to \$41.1 billion. The inventories-to-sales ratio fell from 1.44 in November to 1.43 in December.

In 1998, wholesalers' annual sales grew a modest 3.6% to \$337.3 billion. By contrast, sales grew 6.4% in 1995, 9.1% in 1996 and 14.7% in 1997. Despite better gains in the latter half of 1998, weakening sales early in the year, which continued until summer, produced the lowest annual growth rate in wholesale sales since the 1990-91 recession. Wholesalers in provinces more heavily reliant on the primary resource industries reported declines in 1998. Not surprisingly, sales in British Columbia fell 1.8% from 1997, while those in Alberta dropped 1.5%.

Resource-based industries were hit hardest by world events in 1998. Consequently, three wholesale trade groups with links to the primary resource industries reported negative or low sales growth: lumber and building materials; farm machinery, equipment and supplies; and "other" products, which includes groups such as other forest products, agricultural feeds, agricultural chemicals and other farm products.

Lumber and building material sales dropped 3.7% last year despite improvements during the latter half. Heavier losses earlier in the year dragged the group down. In the fourth quarter, sales increased 5.4%, a contrast with the negative results of the first (-3.5%), second (-4.1%), and third (-0.1%) quarters. The industry was hardest hit by the economic trouble in Asia, since Japan is a key export market. Low commodity prices and ongoing trade disputes with the United States over lumber imports may have hampered the industry, as well.

Similar problems also contributed to last year's 1.0% decline in sales of farm machinery, equipment and supplies. Wholesale sales in this trade group have been declining since mid-1997. Moreover, the decline accelerated in each consecutive quarter of 1998, culminating in the last quarter's decline of 12.9%.

### Annual changes in wholesale sales

Seasonally adjusted

	1996 to 1997	1997 to 1998
	% change	
<b>Sales, all trade groups</b>	<b>14.7</b>	<b>3.6</b>
Food products	8.5	4.0
Beverage, drug and tobacco products	11.9	8.6
Apparel and dry goods	15.5	5.6
Household goods	16.2	6.6
Motor vehicles, parts and accessories	18.1	4.6
Metals, hardware, plumbing and heating	12.4	7.3
Lumber and building materials	15.4	-3.7
Farm machinery, equipment and supplies	18.5	-1.0
Industrial and other machinery, equipment	18.0	1.9
Computers, packaged software and other	15.7	9.9
Other products	14.7	0.1

Cars and computers continued to perform despite posting a second consecutive monthly sales decline of 1.4% in December. Wholesalers of computers, packaged software and other electronic machinery were able to achieve a 9.9% increase in sales in 1998—the highest among all the wholesale trade groups. This group's sales have generally been climbing for the last three years.

The 1998 General Motors strike in the United States probably contributed to lower wholesale sales of motor vehicles, parts and accessories (+4.6%) relative to 1997 (+18.1%). After rising for two years, the group's sales declined early in 1998, and then began to turn around during the summer. Sales for this trade group during the fourth quarter were up substantially (+9.3%).

In the Northwest Territories, 1998 was a good year for wholesalers. Their annual sales increase of 11.8% was the strongest among the provinces and territories. The economic growth associated with the creation of Nunavut, the new territory that comes into existence in April 1999, may have been a factor. As well, the significant diamond discoveries in the western part of the Northwest Territories also may have had an effect.

**Available on CANSIM: matrices 59, 61 and 648-649.**

*The December 1998 issue of Wholesale trade (63-008-XIB, \$14/\$140) can be viewed and downloaded from the Internet at [www.statcan.ca](http://www.statcan.ca). For general enquiries, or to order data, contact Client Services (1 877 421-3067 or 613-951-3549; [wholesaleinfo@statcan.ca](mailto:wholesaleinfo@statcan.ca)). For further analytical information, contact Alexander Hays (613-951-3552; [haysale@statcan.ca](mailto:haysale@statcan.ca)), Distributive Trades Division.*

## Fifth decline in EI beneficiaries

In December, for a fifth consecutive month, fewer Canadians received employment insurance (EI) payments (the regular benefits). Their number slipped by 0.6% from November to 536,210 persons. Among the provinces and territories, eight reported decreases, which were offset in part by small increases reported in Newfoundland, the Northwest Territories, Manitoba and Prince Edward Island. The total amount of regular benefits that EI paid out in December increased 2.1% to \$ 719.2 million.

Statistics on jobless claims (applications for EI benefits) are not available for December because administrative changes to claimant reporting procedures are occurring at the provincial/territorial level.

The discrepancy between the estimated number of regular beneficiaries and regular payments series can be explained in part by differences in their reference periods. The number of beneficiaries is a measure of all persons who received employment insurance benefits for the week containing the 15th day of the month. Regular benefit payments is the total of all monies received by individuals for the entire month.

### EI beneficiaries receiving regular benefits, December 1998 Seasonally adjusted

	Beneficiaries	% change, previous month	% change, previous year
<b>Canada</b>	<b>536,210</b>	<b>-0.6</b>	<b>-4.6</b>
Newfoundland	33,500	2.0	3.7
Prince Edward Island	9,020	0.5	2.4
Nova Scotia	28,640	-6.9	-2.6
New Brunswick	34,870	-2.0	-3.6
Quebec	181,090	-1.4	-9.6
Ontario	116,080	-3.7	-15.1
Manitoba	13,930	1.4	11.3
Saskatchewan	12,430	-2.3	32.4
Alberta	36,210	-0.3	42.0
British Columbia	67,870	-0.4	3.2
Yukon	1,330	-4.2	21.0
Northwest Territories	1,290	1.8	17.3

Available on CANSIM: matrices 26 (series 1.6), 5702-5717 and 5735-5736.

For further information, contact Gilles Groleau (613-951-4090; fax: 613-951-4087; labour@statcan.ca), Labour Division.

## Consumer price inflation falls lower still

In January, the annual inflation rate in consumer prices was 0.6%—the lowest annual change in the rate since January 1995 (also 0.6%). Annual inflation rates ranging from 0.7% to 1.0% have been common since November 1997, thanks to declines in gasoline prices.

Besides gasoline, the other items that dampened the annual increase in the Consumer Price Index (CPI) in January were lower prices for telephone services, computers and fuel oil. The major contributors to the 0.6% rise were food prices, piped gas rates, cablevision services, tuition fees and property taxes. Consumers in Saskatchewan saw the highest annual increase in prices (+1.9%), whereas those in Prince Edward Island enjoyed the largest price decrease compared with January 1998 (-0.7%).

Average prices for telephone services made their largest-ever price drop compared with 12 months earlier in January (-7.6%). However, that was only slightly bigger than the annual price drops recorded in the each of the first three months of 1989 (-7.3%, -7.4% and -7.4%). This January's drop was due to long-distance discount packages.

From December 1998 to January 1999, the CPI increased 0.2%, mainly due to higher food prices (+1.3%). The highest average price increases occurred in Ontario and Saskatchewan (+0.4%), while consumers in Prince Edward Island and in New Brunswick benefited from the largest price declines (-0.4%). Once again, Canadians felt the effects of unseasonably cold weather in the United States. Following the freeze in California at the end of December, fresh produce prices here jumped 9.4%—representing about 80% of the rise in January's CPI for food. Although this advance may seem high, it was lower than the 15.6% jump in January 1998 that likewise was caused by cold and stormy weather.

### Consumer Price Index, January 1999 % change from previous year, not seasonally adjusted

	All-items	Food	Shelter	Transportation	Energy
<b>Canada</b>	<b>0.6</b>	<b>1.3</b>	<b>1.1</b>	<b>-0.9</b>	<b>-3.3</b>
Newfoundland	-0.5	0.5	-2.3	-2.1	-9.2
Prince Edward Island	-0.7	-1.3	-1.4	-3.5	-12.3
Nova Scotia	-0.5	-1.1	-1.7	-1.8	-7.8
New Brunswick	-0.6	0.9	-0.4	-4.2	-9.1
Quebec	0.4	1.8	1.0	-1.1	-3.8
Ontario	0.8	1.3	1.7	-0.8	-2.2
Manitoba	1.5	0.7	2.3	0.6	1.0
Saskatchewan	1.9	0.4	2.6	0.8	0.9
Alberta	1.5	1.7	3.0	-0.6	-1.6
British Columbia	0.2	0.5	-0.9	-1.6	-5.7
Whitehorse	0.1	-0.4	-0.3	0.5	-3.5
Yellowknife	0.5	0.4	-0.7	0.2	-5.3

Prices also rose from December to January for women's (+1.9%) and men's (+2.0%) clothing due to a return to regular prices after holiday sales. Declines in prices for travel tours (-11.0%) and air transportation (-2.9%) offset part of the month-to-month increase in the overall price level. Tour package prices were down to attract more vacationers, since January is the least popular winter month for Canadians travelling south. This January's decrease was the largest in the last five years because more destinations were subject to special pricing. Lower fuel costs and reduced federal air transportation taxes also contributed to the reductions. Air transportation prices were down, mostly because travellers were choosing cheaper economy-class seats.

In British Columbia, the annual consumer price inflation rate was 0.2% in January, less than the national average of 0.6%. The largest source of B.C.'s downward price pressure came from shelter. Average prices for new homes in the province fell 7.7% in the 12 months since January 1998, while charges for

(continued on page 7)

### ... Consumer price inflation falls lower still

homeowners' insurance dropped 6.2%. The fall in new home prices is related to the 1997 hand-over of Hong Kong to China. A large number of Asians purchased houses in British Columbia during the mid-1990s as a hedge against political and economic uncertainty in Hong Kong. In many cases, those people ended up keeping their jobs in Hong Kong, and so they have been selling their houses in British Columbia. The result has been downward pressure on house prices in the province since 1997. Also notable in British Columbia is the fact that, since January 1998, users of cablevision services have faced, on average, a 26.3% price hike. This compares with a 17.2% price increase nationally.

*Available on CANSIM: matrices 9940-9970.*

*The January 1999 issue of **The Consumer Price Index** (62-001-XPB, \$11/\$103) is now available. It now contains two new tables: average retail prices for selected products (mainly food items) and for gasoline and fuel oil (by city). For further information, contact the information officer (613-951-9606; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division. See also "Current trends" on page 9.*

---

## New from Statistics Canada



### Canadian economic observer February 1999

The February issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses the current economic conditions, summarises the major economic events that occurred in December and presents a feature article on computer use by Canadian households.

A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

*The February 1999 issue of **Canadian economic observer** (11-010-XPB, \$23/\$227) is now available. For further information, contact Cyndi Bloskie (613-951-3634; [ceo@statcan.ca](mailto:ceo@statcan.ca)), Current Economic Analysis Group.*

## New from Statistics Canada

### Survey of Telecommunications Service Providers

1997

Selected data from the 1997 Annual Survey of Telecommunications Service Providers are now available. These data refer to aspects of Canada's telecommunications infrastructure such as access lines, digitization of the network, number of cellular subscribers and number of pagers in service.

The survey measured the telecommunications industry's financial performance, profiled the services it provided and described the nation's telecommunications infrastructure.

*More detailed data will be released in March in **Communications service bulletin** (56-001-XIB, \$ 10). For further information, contact Heidi Ertl (613-951-1891) or Éric Futin (613-951-3497), Science and Technology Redesign Project.*

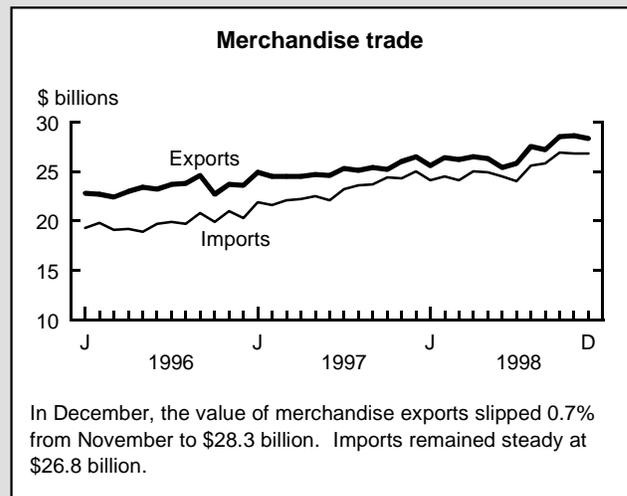
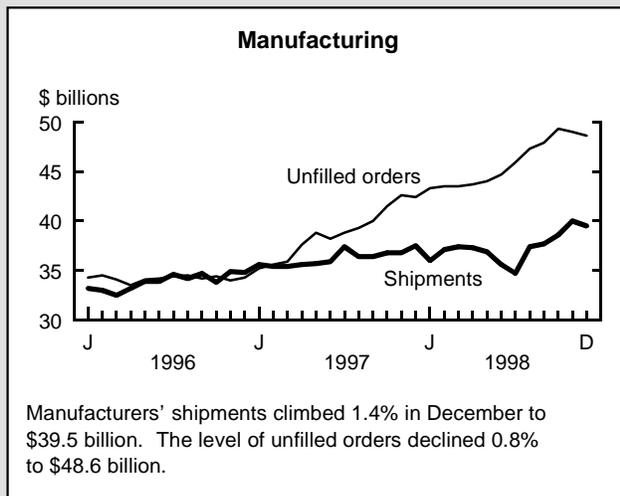
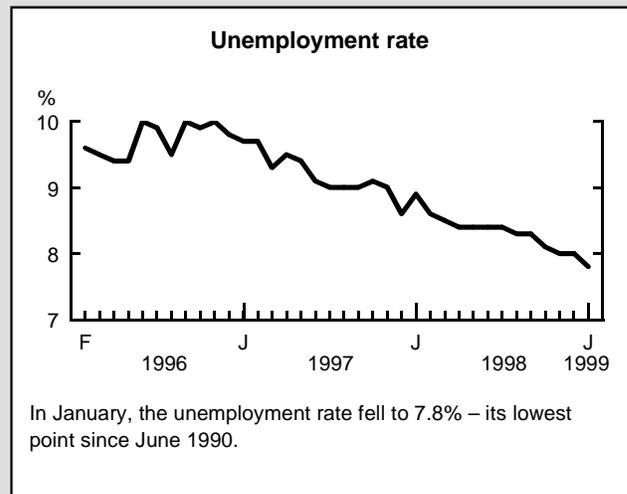
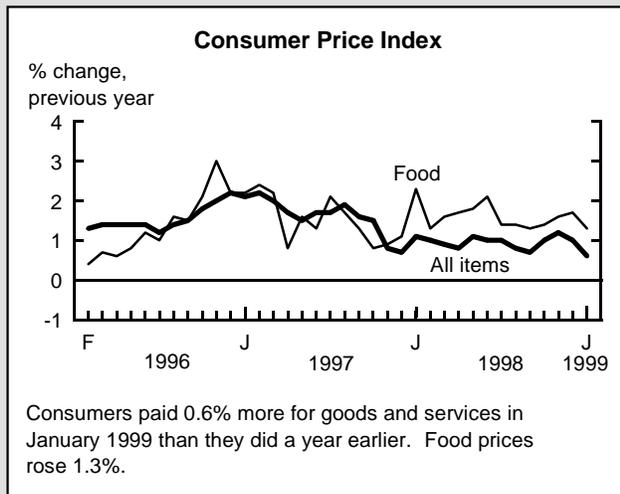
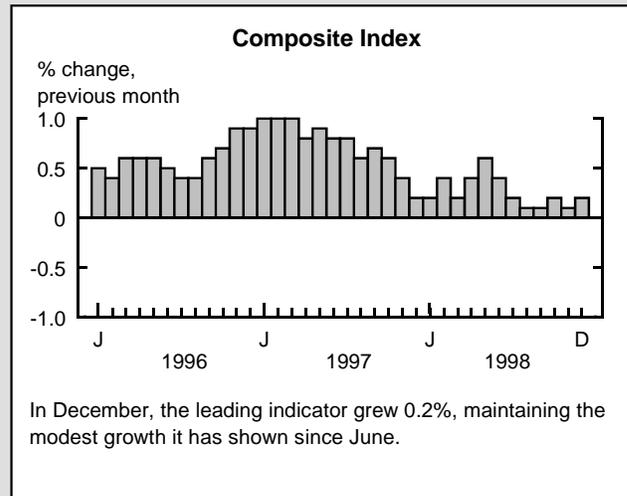
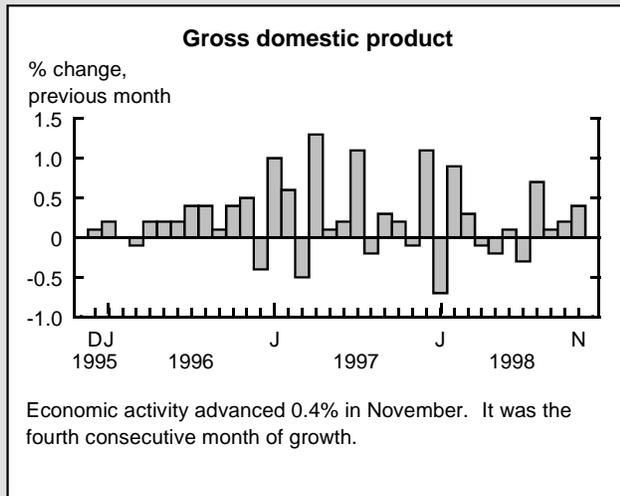
### Research paper on earnings dynamics and inequality among Canadian men

1976-1992

The Analytical Studies Branch produces research papers on topics such as labour, business firm dynamics, mortality, immigration, and statistical computing and simulation. These papers are based on research conducted by branch staff, visiting fellows and academic associates.

*A new research paper titled **Earnings dynamics and inequality among Canadian men, 1976-1992: Evidence from longitudinal income tax records** (11F0019MPE, research paper no. 130) is now available. Any paper from the series can be downloaded from the Internet free of charge at [www.statcan.ca](http://www.statcan.ca). To obtain a printed copy for \$5, contact Valerie Thibault (613-951-1804; [thibaul@statcan.ca](mailto:thibaul@statcan.ca)), Analytical Studies Branch.*

## Current trends



**Note:** All series are seasonally adjusted except the Consumer Price Index.

## Latest statistics

	Period	Level	Change, previous period	Change, previous year
<b>GENERAL</b>				
Gross domestic product (\$ billion, 1992)	November	724.2	0.4%	2.7%
Composite Index (1981=100)	December	208.7	0.2%	3.3%
Operating profits of enterprises (\$ billion)	Q3 1998	25.6	3.7%	- 9.1%
Capacity utilization (%)	Q3 1998	83.5	- 0.6†	- 1.2†
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billion)	December*	20.8	- 0.3%	0.1%
New motor vehicle sales (thousand of units)	December	117.7	- 1.3%	- 18.6%
<b>LABOUR</b>				
Employment (millions)	January	14.65	0.6%	3.7%
Unemployment rate (%)	January	7.8	- 0.2†	- 1.0†
Participation rate (%)	January	65.8	0.2†	0.9†
Labour income (\$ billion)	November	39.2	0.1%	3.7%
Average weekly earnings (\$)	November	607.58	0.0%	1.2%
Help-wanted Index (1996=100)	January	147	0.7%	10.5%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billion)	December*	28.3	- 0.7%	6.9%
Merchandise imports (\$ billion)	December*	26.8	0.0%	7.3%
Merchandise trade balance (all figures in \$ billion)	December*	1.5	- 0.3	0.0
<b>MANUFACTURING</b>				
Shipments (\$ billion)	December	39.5	1.4%	5.3%
New orders (\$ billion)	December	39.1	1.1%	4.9%
Unfilled orders (\$ billion)	December	48.6	- 0.8%	14.7%
Inventory/shipments ratio	December	1.26	- 0.03	- 0.02
<b>PRICES</b>				
Consumer Price Index (1992=100)	January*	108.9	0.2%	0.6%
Industrial Product Price Index (1992=100)	December	119.4	- 0.3%	- 0.7%
Raw Materials Price Index (1992=100)	December	111.9	- 9.1%	- 1.7%
New Housing Price Index (1992=100)	December	100.3	0.1%	0.6%

*Note: All series are seasonally adjusted with the exception of the price indexes.*

\* new this week

† percentage point

# Infomat

## A weekly review

Published by the Communications Division, Statistics Canada, 10th floor, R.H. Coats Bldg., Ottawa, Ontario, K1A 0T6.

Editor: Tim Prichard (613) 951-1197; prictim@statcan.ca  
Head of Official Release: Chantal Prévost (613) 951-1088; prevcha@statcan.ca

Price per issue: paper version, \$4; Internet version, \$3. Annual subscription: paper version, \$145; Internet version, \$109. Prices outside Canada are the same, but are in U.S. dollars. All prices exclude sales tax.

To subscribe: Send a money order or cheque payable to the Receiver General of Canada/Statistics Canada, Operations and Integration Division, Circulation Management, 120 Parkdale Avenue, Ottawa, Ontario, K1A 0T6. To order by telephone call (613) 951-7277, or 1 800 700-1033 both in Canada and outside of Canada.

The first (official) release of all statistical information produced by Statistics Canada occurs in *The Daily* ([www.statcan.ca](http://www.statcan.ca)), available at 8:30 a.m. *The Daily* presents highlights from new data releases, along with sources, links and contacts for further information. It also contains schedules of upcoming major news releases and announces the Agency's new products and services.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1999. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission from Licence Services, Marketing Division, Statistics Canada, Ottawa, Ontario, K1A 0T6, Canada.

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences – Permanence of Paper for Printed Library Materials, ANSI Z39.48 – 1984.



## Publications released from February 18 to 24, 1999

Division/Title of publication	Period	Catalogue number	Price: Issue/Subscription	
			Canada (C\$)	Outside Canada (US\$)
<b>AGRICULTURE</b>				
Rural and small town Canada, Vol. 1, no. 2: Employment patterns in the non-metro workforce		21-006-XIE	No charge	No charge
Rural and small town Canada, Vol. 1, no. 3: The composition of business establishments in smaller and larger communities in Canada		21-006-XIE	No charge	No charge
<b>CENSUS</b>				
Profile of census divisions and subdivisions in Newfoundland	1996 Census	95-182-XPB	120	120
Profile of census divisions and subdivisions in Prince Edward Island	1996 Census	95-183-XPB	80	80
Profile of census divisions and subdivisions in Nova Scotia	1996 Census	95-184-XPB	80	80
Profile of census divisions and subdivisions in New Brunswick	1996 Census	95-185-XPB	100	100
Profile of census divisions and subdivisions in Quebec, Vols. I, II, III, IV	1996 Census	95-186-XPB	300	300
Profile of census divisions and subdivisions in Ontario, Vols. I, II	1996 Census	95-187-XPB	210	210
Profile of census divisions and subdivisions in Manitoba	1996 Census	95-188-XPB	105	105
Profile of census divisions and subdivisions in Saskatchewan, Vols. I, II	1996 Census	95-189-XPB	200	200
Profile of census divisions and subdivisions in Alberta	1996 Census	95-190-XPB	120	120
Profile of census divisions and subdivisions in British Columbia	1996 Census	95-191-XPB	120	120
Profile of census divisions and subdivisions in the Yukon Territory	1996 Census	95-192-XPB	65	65
Profile of census divisions and subdivisions in the Northwest Territories	1996 Census	95-193-XPB	65	65
<b>CURRENT ECONOMIC ANALYSIS</b>				
Canadian economic observer	February 1999	11-010-XPB	23/227	23/227
<b>DISTRIBUTIVE TRADES</b>				
Wholesale trade	December 1998	63-008-XIB	14/140	14/140
<b>ENVIRONMENT STATISTICS PROGRAM</b>				
Environmental protection expenditures in the business sector	1996 preliminary	16F0006PIE	No charge	No charge
<b>HOUSEHOLD SURVEYS</b>				
Historical labour force statistics	1998	71-201-XPB	114	114
<b>INDUSTRY MEASURES AND ANALYSIS</b>				
Gross domestic product by industry	October 1998	15-001-XPB	15/145	15/145
Gross domestic product by industry	November 1998	15-001-XPB	15/145	15/145
<b>INVESTMENT AND CAPITAL STOCK</b>				
Private and public investment in Canada	1999 intentions	61-205-XIB	35	35
<b>MANUFACTURING, CONSTRUCTION AND ENERGY</b>				
Electric lamps (light bulbs and tubes)	December 1998	43-009-XIB	5/47	5/47
Mineral wool including fibrous glass insulation	January 1999	44-004-XIB	5/47	5/47
Monthly Survey of Manufacturing	December 1998	31-001-XPB	20/196	20/196
Primary iron and steel	December 1998	41-001-XIB	5/47	5/47
Shipments of plastic film and bags manufactured from resin	Q ended Dec. 31, 1998	47-007-XPB	10/33	10/33
Useful data for construction guide		64F0004XIE	No charge	No charge
<b>SCIENCE AND TECHNOLOGY REDESIGN PROJECT</b>				
Science and technology activities and impacts: A framework for a statistical information system	1998	88-522-XIE	27	27
<b>TRANSPORTATION</b>				
Air carrier traffic at Canadian airports	1997	51-203-XIB	31	31

Catalogue numbers with an -XPB or an -XIE extension are Internet versions (B signifies bilingual, E signifies English); those with -XMB or -XME are microfiche; and -XPB or -XPE denote the paper version. XDB means the electronic version on diskette or compact disc.

## How to order publications

### To order Infomat or other publications:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and outside Canada call: **(613) 951-7277 or 1 800 700-1033**

Fax your order to us: **(613) 951-1584 or 1 800 889-9734**

Or e-mail your order: **order@statcan.ca**

**To order on the Internet:** Visit the Statistics Canada web site at [www.statcan.ca](http://www.statcan.ca) and click on "Products and services".

**To order by mail, write to:** Statistics Canada, Operations and Integration Division, Circulation Management, 120 Parkdale Avenue, Ottawa, Ontario, K1A 0T6.

Include a cheque or money order payable to Receiver General of Canada/Publications.

**Statistics Canada Regional Reference Centres provide a full range of the Agency's products and services.**

For the reference centre nearest you, check the blue pages of your telephone directory under Statistics Canada.

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**

**For address changes:** Please refer to your customer account number.

**Visit Statistics Canada anytime on the Internet:** [www.statcan.ca](http://www.statcan.ca)

<b>Calendar of key releases: March 1999</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>1</b> National economic and financial accounts, Q4 1998 Balance of international payments, Q4 1998 GDP at factor cost by industry, December 1998	<b>2</b> Lumber shipments, December 1998 and 1998	<b>3</b>	<b>4</b> Performing arts, 1996/97	<b>5</b>
<b>8</b> Public service employment, 1998	<b>9</b> Building permits, January 1999 Industrial capacity utilization rates, Q4 1998	<b>10</b> New housing price index, January 1999 Help-wanted index, January 1999	<b>11</b>	<b>12</b> Labour force survey, February 1999
<b>15</b> New motor vehicle sales, January 1999	<b>16</b> Monthly survey of manufacturing, January 1999 Travel between Canada and other countries, January 1999	<b>17</b> Canada's international investment position, 1998	<b>18</b> Canadian international merchandise trade, January 1999	<b>19</b> Consumer price index, February 1999 Wholesale trade, January 1999
<b>22</b> Retail trade, January 1999	<b>23</b> Multi-factor productivity, 1997	<b>24</b> Canada's international transactions in securities, January 1999 Composite index, February 1999 Employment insurance, January 1999	<b>25</b> Employment, earnings and hours, January 1999	<b>26</b> Industrial product price index, February 1999 Raw materials price index, February 1999
<b>29</b> National tourism indicators, Q4 1998	<b>30</b>	<b>31</b> GDP at factor cost by industry, January 1999 Characteristics of entrants in science-based industries, 1998		

**Note:** Release dates for Canadian international merchandise trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other releases may change.